



City of Seattle
Office of Housing

MICROHOUSING: Multifamily Property Tax Exemption (MFTE) Program

FACT SHEET

City Council Discussion --- April 18, 2013

❖ What is the MFTE Program?

- *State Law permits jurisdictions across the State to create and administer Property Tax Exemption Programs within parameters outlined in State Law.*
- *Program provides developers of primarily new construction rental projects the opportunity to get a full property tax exemption on the residential portion of a project, for up to 12 years, in return for providing a minimum of 20% of the units at lower rent levels while the owner is getting a property tax exemption.*
- *Under current City legislation, the lower rent units must be affordable to households with annual income at or below:*
 - ✓ *65% of median income for studios (\$40,000 for single person);*
 - ✓ *75% of median income for one-bedroom units (\$45,500 for single person or \$52,000 for 2-person household);*
 - ✓ *85% of median income for two+ bedroom units (\$51,600 for single person or \$59,000 for 2-person household).*
- *The MFTE Program is available in certain target areas within the City of Seattle---currently in Seattle's 39 Urban Center and Urban Village areas.*

❖ Projects approved under the MFTE Program:

- *Since 1998, 107 projects, containing 12,324 units, have been approved.*
- *Of the total 12,324 units, 3,735 fall under affordable rent restrictions.*
- *Microhousing projects are eligible under the MFTE Program: 25 have been approved, containing 1,164 sleeping rooms.*

- ❖ Microhousing projects approved under the MFTE Program:
 - *6 projects approved and construction completed---Final Certificate of approval signed --- 283 sleeping rooms*
 - *19 projects approved and still in development; construction not yet completed---Final Certificate not yet signed --- 881 sleeping rooms*
- ❖ Rents for 5 of the approved and completed Microhousing projects range from \$539 to \$775 per month
- ❖ March 12: DIRECTORS RULE SIGNED
 - *New MFTE applications must include same number of units shown on DPD permitting-related documents*
 - *April 26, 2013 application cut-off date --- prior to that date microhousing applications still reviewed by Office of Housing under the MFTE Program as long as the applicant has submitted a fully valid and complete application for a building permit with DPD or has a vested Master Use Permit issued by DPD*

For More Information: Miriam Roskin 206-733-9077 or miriam.roskin@seattle.gov